

November 18, 2008

- Bill Moore, with the Rutherford Insurance Company, addressed the Committee regarding his company's concern about State bidding rules requiring "all perils coverage". According to Mr. Moore, all perils coverage is not adequately defined and does not include wind and flood coverage. He would like to see the bid language changed to read "special form coverage including wind and flood".
- Wanda Edwards, Director of Building Code Issues for the Institute for Business and Home Safety, outlined measures for mitigation with building codes and discussed mitigation steps for existing homes ranging from repairs and renovations to retrofitting. She also noted that North Carolina does not meet the International Building Code's standards for windborne debris.
- Donald Hornstein, Professor of Law at the University of North Carolina School of Law and member of the Committee, provided some cost benefit analyses of various mitigation approaches a homeowner could undertake. Creating mitigation incentives would help overcome homeowner reluctance to take protective measures. Incentives for mitigation also would reduce insurance loss, and reduce reinsurance costs. South Carolina and Florida both offer mitigation incentives.
- Dan Tingen, Chairman of the North Carolina Building Code Council, explained the bases for the Council's decision not to adopt the International Code Council's model code in toto. There were several areas in which the Council has not chosen to adopt the provisions of the model code. With respect to the wind borne debris standards, the Council's position is that the ICC model provision would result in increasing the cost of housing without a concomitant increase in the storm worthiness of housing.

December 2, 2008

- Robert Privott, Director of Codes and Enforcement for the North Carolina Home Builders Association, spoke to the Committee about building code issues. In particular, the Home Builders would like to see the wind borne debris provisions of the State Building Code remain unchanged. They also would like insurers to be required to provide premium discounts for homeowners who provide wind borne debris protection above the code requirements and tax credits available to homeowners who take such measures.
- Ray Evans, General Manager of the North Carolina Rate Bureau, told the Committee that the Rate Bureau would be filing a proposed homeowners rate increase that would be 19.5% overall. Beach territory increases would range from 32% to 50%, coastal territories from 43% to 69% and the remainder of the State from 1% to 22%. The proposed changes would also include a change in the territories set by the Rate Bureau.